

Offutt AFB Housing Privatization Beat



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Half-Year Anniversary

Welcome to the sixth issue of the *Housing Privatization Beat*! That's right, this newsletter is half of a year old. Let's take a few lines to reflect on what we've done... Back in February of this year, the housing privatization team realized two things. First, that the general privatization concept (i.e., how it's going to work) was fully developed and second, that the initiation of privatization was just over a year away. It was decided at that time, that a concentrated effort was needed to inform the housing occupants of privatization and its impacts. One key tool identified to help achieve this objective was a monthly web newsletter. Over the last six months, *'the Beat'* has attempted to keep military families up to date on the status of the project as well as provide insight into the specifics of the privatization process. We hope you have found the information both useful and informative and will continue to in the coming months. Thanks for your participation!

In recognition of this minor milestone, this issue includes a special *"Did You Know?"* section that provides some interesting tidbits on how the Department of Defense's housing policies have evolved. In response to some feedback received at various briefings, this month's **Feature** provides some specifics of the privatization projects occurring at other bases. The **Question of the Month**, meanwhile, focuses on the security aspects of privatization.

Did you Know????

Did you know that it is the goal of the Department of Defense for military installations to rely on local community (i.e., privately owned) housing as much as possible to house its military personnel and their families? In other words, the DOD would find it ideal to not have to own, operate, or maintain any housing. After all, their business is defending the country not real estate management.

This is not a new DOD goal either. In fact, much of the initial housing on military installations was actually originally constructed, owned and maintained by private developers. Due to a huge housing shortage nationwide after World War II, there were growing concerns within DOD that not enough housing was available to retain the services of military members returning from overseas. A senator from Nebraska named Kenneth Wherry (recognize the name!) introduced a bill that would eventually lead to the construction of over 83,000

privately-owned housing units on federal property. Offutt AFB still contains 355 of these "Wherry" units though they are now owned by the Air Force. And although they are not considered adequate by today's standards, they did serve a significant role in helping DOD meet its housing shortfalls and retain its military personnel.



Wherry Housing

DOD is faced with similar challenges today. Quality of life issues and how they relate to retention rates is one of the agency's biggest concerns. Military housing has degraded well below modern standards and the funding is not available to revitalize the units within a reasonable timeframe. In a perfect world, DOD could simply sit back and allow its members to obtain housing in the private sector where it must be kept up to modern standards to stay competitive in the marketplace. Unfortunately, a combination of factors makes it difficult, if not impossible, for the DOD to take this approach. One factor is the fact that many installations are located in relatively rural areas where there simply isn't an abundance of private housing available. Another, and perhaps the most significant, is the fact that in most areas, current Base Allowance for Housing (BAH) rates do not adequately match current housing market rates. The result of this then is not always a shortage of housing but a shortage of "affordable" housing.

Privatization appears to be the one option that meets all of the objectives. DOD relinquishes ownership of the housing units, private capital is used to provide the upgrades, and the deal is structured so that every eligible military member can afford a housing unit. A lot has changed since the days of Senator Wherry's housing bill. Housing standards have mercifully improved for both military and civilians. But the original intent of

the legislation (to rely on private capitol to finance military housing) is still a valid objective.

What's New?

Request For Proposal (RFP) - The RFP has been approved by Air Staff and the Department of Defense. Congressional notification of the intent to release the RFP is scheduled to begin at the beginning of September. As such, the milestone dates listed in last month's issue (e.g., RFP release date of Oct 02) are still right on target.

Web Page Updates – Due to changes in the milestone dates and some minor refinements to the RFP, certain items listed on the Offutt Housing Privatization Web Page (www.offutt.af.mil, under business opportunities) have been updated. These include the **General Fact Sheet** and **Housing Privatization Overview Briefing**. Please refer to these latest versions for the most accurate information. Also, please continue to periodically review the web page for further updates.



A Look At The Others



A couple of issues back, “the Beat” included some photographs of some of the completed units at other Air Force installations. To piggyback on this, listed blow is a general description of the different privatization projects that are currently underway (taken from a 2002 Government Accounting Office report).

Lackland AFB, TX: Government to lease 96 acres. Developer to demolish 272 existing units, construct 420 new housing units on base, and own operate, and maintain the 420 units for 50 years.

Robins AFB, GA: Government to convey 670 existing units and 270 acres of land. Developer to demolish 370 existing units, construct 370 new units, renovate 300 existing units, and own, operate, and maintain 670 units for 30 years (with two additional 10-year options).

Dyess AFB, TX: Developer to construct 402 new housing units on private land off base, and own, operate, and maintain units for 40 years.

Elmendorf AFB, AK: Government to convey 584 existing units and lease 219 acres of land. Developer to demolish 176 units, construct 420 new housing units, renovate 200 existing units, and own, operate and maintain 828 units for 50 years.

As you can see, each project is a little different. This trend will continue with future projects as well. Some will involve all new construction, some will occur on private property, some will involve shorter leases etc. But for military families, the one thing that will not change across installations is the goal of revitalized housing that is affordable to all members!

???????Question of the Month???????

Who is responsible for security and how will access to housing work?

September 11, 2001 taught all of us some very important lessons about not taking our security for granted. Following the terrorist attacks, security in the Capehart family housing area went through some significant changes including the closure of a majority of neighborhood entrances and the creation of entry control points manned by Security Forces personnel. Unforeseen requirements like this often result in numerous inconveniences such as longer travel times and increased traffic congestion. Although these inconveniences are completely outweighed by the importance of protecting military families, the housing privatization team recognized that some significant and more permanent improvements could be included in the privatization project.

After privatization, security and access to the housing areas will remain the responsibility of the Air Force via the 55th Security Forces Squadron. The requirement for the developer to provide a security fence around the entire housing area will go a long way in improving overall security conditions in Capehart. As is done currently, Threatcon Levels will dictate how many entry points are manned at any given time as well as who will be authorized access. However, to improve access for housing residents, 13 additional "long term control points" will be constructed. All of these entrances will be equipped with a card reader to allow access for residents at any time. Security cameras will also be installed so that the points can be monitored as required. Permanent guard shacks will be constructed at several of the entrances to allow increased manned entrances when conditions dictate. Several pedestrian access ways will also be incorporated at various locations around the fence.

Under normal circumstances, contractors and other non-federal personnel will be granted access similar to the way it is done for main base. A new visitor control center will be established to process access authorizations based on individual requirements (e.g., access procedures for routine visitors will differ than those for one time visitors). Access for other non-residents such as parents and students attending the schools located on Parcel B must also be considered. Details will have to be worked out between the Air Force, local school districts and the developer.

What's Next?

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| ■ Congressional Notification | Sep 02 |
| ■ Advertise RFP | Oct 02 |
| ■ Phase I Proposals Due | Nov 02 |

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